

**STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE UTILITIES BOARD**

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**IN RE:**

**OFFICE OF CONSUMER ADVOCATE,  
Petitioner,**

**v.**

**INTERSTATE POWER AND LIGHT  
COMPANY,  
Respondent**

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**Docket No. FCU-2016-0011**

**JOINT MOTION AND SETTLEMENT AGREEMENT**

Come now Interstate Power and Light Company (IPL) and the Office of Consumer Advocate (OCA), jointly referred to as the Settling Parties, who hereby agree to the terms and conditions of this Joint Settlement Agreement (Agreement) and hereby move the Iowa Utilities Board (Board) for approval of the Agreement.

**ARTICLE I – INTRODUCTION**

1. On October 4, 2016, OCA filed a Request for Formal Proceeding (Complaint), which requested that the Board open a formal complaint docket to initiate a formal proceeding to investigate and address IPL's billing system (CC&B).

2. On October 25, 2016, the Board issued an order Establishing Formal Complaint Proceeding, Procedural Schedule, and Technical Conference. The Board modified the procedural schedule in this matter in its October 28, 2016 and November 9, 2016 orders.

3. The Board set an intervention deadline of November 3, 2016, testimony deadlines of November 14, 2016 (OCA) and November 23, 2016 (IPL), and a deadline

for the joint statement of the issues of December 9, 2016. The Board scheduled December 19, 2016 for a hearing on the Complaint. A technical conference on the issues raised in the Complaint, as well as other issues, was held November 8, 2016.

4. IPL and OCA are the only parties of record in this proceeding.

5. The Settling Parties filed their Joint Statement of the Issues on December 9, 2016.

## **ARTICLE II – PURPOSE**

6. This Agreement has been prepared and executed by the Settling Parties for the purpose of reaching a comprehensive settlement of OCA's Complaint, issues raised in OCA's reply filed October 11, 2016, and issues raised in OCA's direct testimony (collectively, the Dispute), that is fair, reasonable, and in the public interest. Accordingly, the Settling Parties respectfully request that Board find, in accordance with 199 I.A.C. § 7.18, that this Agreement is reasonable in light of the whole record, consistent with law, and in the public interest.

7. It is the intention of the Settling Parties that this Agreement resolves all issues in the Dispute. Therefore, in consideration of the mutual agreements set forth herein, the Settling Parties request that the Board issue an order that approves this Agreement and cancels the hearing set for December 19, 2016.

## **ARTICLE III – AGREEMENT**

8. The Settling Parties agree that the following items settle the Dispute in full:

- a. By January 15, 2017, IPL will provide its meter reader staffing plan to the Board and OCA. IPL will provide quarterly reports to OCA, and to the Board if the Board desires, in 2017 and 2018 on the number of meter reads that were estimated due to no physical read.
- b. By January 15, 2017, IPL will provide its customer support center staffing plan to the Board and OCA. IPL will provide quarterly reports to

OCA, and to the Board if the Board desires, in 2017 and 2018 on the call wait times per day, including the shortest, longest, and average call wait times per day.

- c. IPL implemented and placed on its bill an enhancement that began on November 7, 2016, which added a third indication that a customer's bill was estimated. IPL will continue to provide this enhancement on its bill.
- d. IPL will not send estimated bills where a validated read has been obtained within the billing window, unless there are extraordinary circumstances preventing the validated read from being used. A validated read is one that falls within the Hi/Lo thresholds or one that has been verified by a manual review. As described in paragraph 8(g)(5), IPL has implemented a method to avoid sending estimated bills when a manual review has not been completed within the billing window. In the event a read obtained within the billing window falls outside the Hi/Lo thresholds and has not been verified by a manual review, the bill will be based on the actual read.
- e. IPL has offered customers who received estimated bills in 2016 payment arrangements of at least 12 months, and up to 24 months, upon customer request. IPL will continue to work with those customers who received estimated bills and who request payment arrangements longer than 12 months, including up to 24 months, in a manner consistent with existing Board rules on payment arrangements.
- f. IPL has initiated an analysis of how changes to the CC&B estimation logic could affect the accuracy of estimates. IPL has also changed components of the estimation logic, as detailed below. IPL will meet with OCA and Board staff by January 15, 2017, to detail the results of the analysis and a proposed plan for potential additional revisions to the estimation logic.
- g. IPL has made the following system changes:
  - (1) IPL has adjusted the unit-based thresholds used in the Hi/Lo check.
  - (2) IPL has modified the selection criteria for the third step in the estimation logic (the trend-based calculation) to increase the minimum number of reads evaluated by the estimation algorithm.
  - (3) IPL manually calibrated the calendar-day based meter-reading windows around the 2016 Thanksgiving holiday to ensure valid meter reads were not disregarded due to timing. Going forward, IPL will engage in a similar effort as necessary around holiday weekends to ensure a similar result.

- (4) IPL has implemented a hold for manual review of any bill that would otherwise be estimated due to the meter read being obtained on the last day of the billing window. Such bills will be sent out using the actual reads only after the read is validated, as described in paragraph 4 above. If, after manual review, the read cannot be validated, an estimate may need to be sent.
- (5) IPL has implemented a method to intercept and review bills that would have been estimated when a meter read is available in the system to avoid estimated bills being sent when a manual review has not been completed within the billing window.
- h. IPL will not include costs incurred in addressing the estimated billing issues related to the CC&B system that are above and beyond reasonable operating and maintenance expenses in the test year for IPL's anticipated rate cases in 2017.
- i. If the Board desires an independent review of the accuracy of 2016 billing under the CC&B system, IPL will work with the Board and OCA to determine the appropriate scope and process for the review, and the reasonable costs associated with such a review would be borne by IPL and not recoverable from IPL's customers.
- j. The Settling Parties agree that this Agreement is not an admission of or determination of any violations of the Iowa Code, the Iowa Administrative Code, Board orders, or IPL tariffs.

#### **ARTICLE IV – JOINT MOTION**

9. The Settling Parties jointly filed with the Board this Agreement and Motion, requesting that the Board accept this Agreement without condition or modification and dismiss the hearing scheduled for December 19, 2016.

#### **ARTICLE V – CONDITION PRECEDENT**

10. This Agreement shall not become effective unless and until the Board accepts the same in its entirety without condition or modification.

#### **ARTICLE VI – LIMITATION**

11. This Agreement is made pursuant to Iowa Code §17A.10 and 199 I.A.C. § 7.18. This Agreement shall become binding upon the Settling Parties upon its execution;

provided, however, that if this Agreement does not become effective in accordance with Article V, above, it shall be null and void.

#### **ARTICLE VII – EXECUTION**

12. To facilitate and expedite execution, this Agreement may be executed by the signatories in multiple conformed copies which, when the original signature pages are consolidated into a single document, shall constitute a fully-executed document binding upon all the signatories. The facsimile signatures of the signatories shall be deemed to constitute original signatures, and facsimile copies hereof shall be deemed to constitute duplicate originals.

#### **ARTICLE VIII – MODIFICATION AND AMENDMENT**

13. This Agreement shall not be amended or modified except by an instrument in writing signed by all signatories.

#### **ARTICLE IX – TERM**

14. This Agreement shall remain in effect through December 31, 2018.

#### **ARTICLE X – BINDING NATURE**

15. This Agreement shall be binding on the Settling Parties. Except as provided in Article VIII, the Settling Parties shall take no action directly or indirectly to expand, limit, or eliminate the scope or effect of this Agreement during its term.

#### **ARTICLE XI – FURTHER ASSURANCES**

16. The Settling Parties agree to cooperate in order to effectuate the full and complete intent of the Settling Parties as expressed in this Agreement.

## ARTICLE XII – ENTIRE AGREEMENT

17. This Agreement contains the entire agreement between the Settling Parties. There are no additional terms, whether consistent or inconsistent, oral or written, which have not been incorporated into this Agreement.

**WHEREFORE**, for the reasons cited above, the Settling Parties request that the Board approve the Agreement and dismiss the hearing scheduled for December 19, 2016.

Dated this 15<sup>th</sup> day of December, 2016.

### Respectfully submitted:

For Interstate Power and Light Company:      For the Office of Consumer Advocate:

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